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APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUE-2001-00587

To Change Rates, Charges, Rules, and Regulations

PHASE II

HEARING EXAMINER'S RULING

July 30, 2002

On July 2, 2002, Columbia Gas of Virginia, Inc. ("Columbia" or the "Company") filed a Motion to Amend Application to Revise Rate Schedule TS-1/TS-2 and Rate Schedule AS ("Motion to Amend"). The Company seeks to revise its transportation service under Rate Schedules TS-1/TS-2; to revise its aggregation service under Schedule AS; and to make corresponding revisions to its General Terms and Conditions, the Service Agreements associated with Rate Schedule TS-1/TS-2 and Rate Schedule AS. Further, the Company requests leave to withdraw Rate Schedule TS-3/TS-4. Each of the foregoing rate schedules and service agreements was accepted by the Commission subject to refund in Case No. PUE-2001-00587 (Phase II). In support of its Motion to Amend, the Company states the proposed revisions are necessary to clear up the tariff interpretation dispute in *Petition of Columbia Gas of Virginia, Inc., for Declaratory Judgment*, Case No. PUE-2002-00070 (the "Declaratory Judgment Case").

Also on July 2, 2002, Stand Energy Corporation ("Stand") filed a Motion to Suspend Deadline for Filing Respondents' Testimony and Exhibits ("Motion to Suspend") in Phase II of this proceeding. In support, Stand stated that the Company indicated it would be filing revised tariff sheets that would replace the tariff sheets filed on June 17, 2002. In view of the anticipated filing of revised tariff sheets, Stand requested that Respondents' filing date for testimony and exhibits of July 15, 2002 be suspended.

By Hearing Examiner's Ruling of July 3, 2002, Commission Staff and the parties were afforded an opportunity to respond on or before July 10, 2002, to the Company's Motion to Amend and Stand's Motion to Suspend. Commission Staff filed a response on July 24, 2002 in which it pointed out that the Company has not filed the tariff revisions governing meter pulse access. The Virginia Industrial Gas Users' Association ("VIGUA") filed a response on July 10, 2002.

In a July 11, 2002, hearing on the motions, I granted Columbia's Motion to Amend and Stand's Motion to Suspend.

On July 11, 2002, in *Petition of Columbia Gas of Virginia, Inc., for a declaratory judgment*, Case No. PUE-2002-00070 (the "Declaratory Judgment Case"), Columbia, Commission Staff, VIGUA, Stand, Wexco Corporation, and Mr. Donald S. Wheeler

(collectively, "Participants") made an Offer of Settlement that, among other things, proposed a revised schedule for Phase II of this proceeding, and recommended reinstatement of Rate Schedule TS-1/TS-2 that was in effect on June 30, 2002.

On July 12, 2002, Columbia filed a Motion for Leave to Withdraw and Reinstate Certain Rate Schedules ("Motion of July 12"). In accordance with the Offer of Settlement in the Declaratory Judgment Case, Columbia requests: (i) that the Company be permitted to withdraw the affected July 1, 2002 Rate Schedules in the Declaratory Judgment case; (ii) that the Commission reinstate Rate Schedule TS-1/TS-2 and the Form of Service Agreement for Gas Transportation Service with the same terms that were in effect immediately prior to July 1, 2002, and to remain in effect through October 31, 2002, with the agreement that the Participants will support and abide by the interpretation of Rate Schedule TS-1/TS-2 in accordance with the prefiled testimony of Staff witness John A. Stevens that was filed in the Declaratory Judgment case; and (iii) that the Commission make the July 2, 2002 Rate Schedules effective for service beginning November 1, 2002, applicable to bills rendered on and after December 1, 2002, subject to refund. The November 1, 2002, effective date will be applicable only in the event that the Commission has not issued a final order establishing permanent rate schedules on or before November 1, 2002.

I find that Columbia's Motion of July 12 should be granted. Columbia's Motion to Amend to the extent it is superseded by the Motion of July 12, has become moot and should be denied. Columbia's Motion to Amend contains, among other things, the Company's tariff provisions for TS-1/TS-2 and Schedule AS. These tariff provisions, found in the attachments to the Motion to Amend may become effective November 1, 2002, on an interim basis subject to refund for bills rendered on or after December 1, 2002. Stand's Motion to Suspend was granted at the hearing on July 11, 2002. Accordingly,

IT IS DIRECTED THAT:

- 1) Columbia's Motion of July 12 is granted;
- 2) Columbia's Motion to Amend of July 2, 2002, to the extent it is superseded by the Motion of July 12, is denied;
- 3) The tariff provisions pertaining to Rate Schedules TS-1/TS-2 and Schedule AS, found in the attachments to the Company's Motion to Amend of July 2, 2002, may become effective on an interim basis subject to refund for bills rendered on or after December 1, 2002:

¹Rate Schedule TS-1/TS-2 (Transportation Service 1 and 2); Rate Schedule TS-3/TS-4 (Transportation Service 3 and 4); Rate Schedule AS, Aggregation Service; Form of Service Agreement for TS-1 and TS-2 Gas Transportation Service; Form of Service Agreement for TS-3 and TS-4 Gas Transportation Service; and Aggregation Service Agreement.

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²The July 2, 2002, Rate Schedules reflect an effective date of "November 1, 2002." Therefore it is not necessary to refile the July 2, 2002, Rate Schedules to reflect the modification from "bills rendered on and after November 1, 2002." to "service rendered on and after November 1, 2002."

³Tr. 4.

- 4) Columbia's request to withdraw Rate Schedule TS-3/TS-4 is granted;
- 5) The scheduled hearing on September 4, 2002, will be retained on the Commission's docket for the purpose of receiving comments from public witnesses. Public witnesses may testify either at the September 4 hearing or at the September 26, 2002, hearing;
- 6) A public hearing is hereby scheduled for September 26, 2002, commencing at 10:00 a.m., in a Commission Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219;
- 7) On or before August 1, 2002, Columbia shall complete actual notice to its TS-1/TS-2, LGS, LVTS, LVEDTS customers and customers that have inquired about transportation service within the last 12 months, to the extent Columbia has such records. The notice shall include of a copy of this Ruling and the tariffs related to TS-1/TS-2 and Schedule AS and associated agreements and terms and conditions of service taking effect on July 1, 2002 through October 31, 2002, together with the tariffs related to TS-1/TS-2 and Schedule AS, agreements and terms and conditions effective for bills rendered on and after December 1, 2002. The tariff proposals shall be clearly marked to identify the effective date of the subject schedule;
- 8) On or before August 1, 2002, Columbia shall file with the Clerk of the Commission an original and fifteen (15) copies of any supplemental testimony and exhibits it intends to present at the hearing, and shall serve a copy on Commission Staff and all other Respondents;
- 9) On or before August 14, 2002, any person desiring to participate as a Respondent as defined in Rule 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure who has not previously filed a Notice of Participation in this matter shall file with the Clerk of the Commission an original and fifteen (15) copies of a Notice of Participation as provided in Rule 5 VAC 5-20-150. The Notice of Participation shall be sent to Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall reference Case No. PUE-2001-00587. Each Respondent shall also serve a copy upon counsel for Columbia, Edward L. Flippen, Esquire, McGuireWoods LLP, One James Center, 901 E. Cary Street, Richmond, Virginia 23218-1197; and other parties of record;

The notice that Columbia is directed herein to complete by August 1, 2002, will include notice of such pulse signal service.

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⁴ In the Declaratory Judgment case (Case No. PUE-2002-00070), the participants agreed that Columbia will provide customers taking service under the banking and balancing provisions of Rate Schedule TS-1/TS-2 with access to an uncorrected pulse signal commencing on or before November 1, 2002. Columbia, therefore, will file a supplement to the July 2, 2002, Rate Schedule to include customer and/or marketer access to meter pulse signals. The effective date of charges, if any, for what Columbia states will be a new service, should be contemporaneous with the permanent effective date of the July 2, 2002, Rate Schedules.

- 10) On or before August 21, 2002, Respondents shall file with the Clerk of the Commission an original and fifteen (15) copies of the testimony and exhibits they intend to present at the hearing, and shall serve a copy on Columbia, Commission Staff, and all other Respondents;
- 11) On or before August 28, 2002, Commission Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the testimony and exhibits it intends to present at the hearing, and shall serve a copy on Columbia and all other Respondents; and
- 12) On or before September, 9, 2002, Columbia may file with the Clerk of the Commission an original and fifteen (15) copies of all testimony and exhibits it expects to introduce in rebuttal to all direct prefiled testimony and exhibits and shall serve a copy on all Respondents and Commission Staff.

Howard P. Anderson, Jr.
Hearing Examiner